

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 15737 161740Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 SP-02 STR-07 TRSE-00 LAB-04
SIL-01 OMB-01 SOE-02 DODE-00 H-01 INT-05 L-03
NSC-05 PM-05 ICA-11 OES-09 SS-15 ACDA-12 /123 W
-----108752 170704Z /13

R 161726Z AUG 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 8354
INFO ALL EC CAPITALS
DOE WASHDC

LIMITED OFFICIAL USE BRUSSELS 15737

USEEC

E.O.11652: N/A
TAGS: ENRG, EEC
SUBJECT: EC COMMISSION'S PLANS REGARDING ALLEVIATION OF
THE EC OIL REFINERY PROBLEMS

REF: (A) BRUSSELS 10698, (B) BRUSSELS 12709, (C) BRUSSELS
10152, (D) BRUSSELS 7578

1. FOLLOWING FAILURE OF THE EC ENERGY MINISTERS AT THEIR
COUNCIL MEETING OF MAY 30 TO APPROVE THE COMMISSION'S
PROPOSAL ON MEASURES TO HELP ALLEVIATE THE COMMUNITY'S
PETROLEUM REFINING PROBLEMS (REF A) AND THE RECENT OUT-
SPOKEN BRITISH OPPOSITION TO THAT PROPOSAL (REF B), SOME
PERMDEL AND COMMISSION OFFICIALS BELIEVE THE PROPOSAL IS
VIRTUALLY DEAD. WHILE GERMANY HAS BEEN CONSULTING WITH
THE COMMISSION AND MEMBER STATES REGARDING THE COMPLETE
ENERGY COUNCIL WORK PROGRAM, MOST PERMDEL OBSERVERS BELIEVE
THAT THE FRG WILL NOT TRY TO HAVE THE COUNCIL APPROVE ANY
MEASURE ON THIS MATTER DURING THE GERMAN EC COUNCIL PRESI-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 15737 161740Z

DENCY FOR THE REMAINDER OF 1978. SOME PERMDEL AND COM-
MISSION OFFICIALS BELIEVE, HOWEVER, THAT FRANCE, WITH
ITALIAN SUPPORT, WILL TAKE A NEW INITIATIVE ON THE EC OIL
REFINERY PROBLEMS DURING THE FRENCH COUNCIL PRESIDENCY IN
THE FIRST HALF OF 1979.

2. GEORGES BRONDEL, DIRECTOR OF THE EC COMMISSION'S OIL

AND GAS DIVISION (DG XVII), TOLD A MISSION OFFICER THAT THE COMMISSION'S REFINERY PROPOSAL IS STILL NOMINALLY ON THE EC ENERGY COUNCIL WORK PROGRAM DESPITE THE FACT THAT DENMARK FORMALLY WITHDREW ITS COMPROMISE "CONCLUSIONS ON REFINING"(REF C) AFTER THE MAY ENERGY COUNCIL MEETING WHEN IT WAS CLEAR THAT EARLY AGREEMENT ON IT AND THE COAL EXPORT SUBSIDY PLAN WAS IMPOSSIBLE. BRONDEL SAID THAT THE REFINERY PROPOSAL WILL NOT BE TAKEN UP BY THE ENERGY MINISTERS AGAIN UNTIL THE DECEMBER ENERGY COUNCIL AT WHICH TIME HE EXPECTS THEY WILL HOLD A GENERAL DISCUSSION OF THE PROBLEM BASED ON A NEW STUDY BY THE COMMISSION ON THE EC REFINERY OUTLOOK FOR 1979.

3. BRONDEL SAID THAT, LACKING EC COUNCIL APPROVAL THE COMMISSION DOES NOT INTEND TO GO BEYOND PHASE ONE OF ACTION UNDER ITS OWN AUTHORITY WHICH IS LIMITED TO GATHERING INFORMATION ON THE REFINERY SITUATION (REF D). EC COMMISSIONER FOR ENERGY BRUNNER HAS INVITED SENIOR COMPANY REPRESENTATIVES FOR A "LUNCH" ON SEPTEMBER 27 TO INFORM THEM JOINTLY OF THE STATUS OF THE EC COUNCIL'S CONSIDERATION OF THE REFINERY PROPOSAL AND OF THE COMMISSION'S INTENTIONS FOR THE REST OF THE YEAR. (AMERICAN COMPANY OFFICIALS HAVE TOLD US THAT SEVERAL OIL COMPANIES - INCLUDING INTERESTINGLY SOME EUROPEAN COMPANIES - ARE RELUCTANT TO ATTEND THE PROPOSED LUNCH AT A SENIOR LEVEL.) THIS LUNCH IS TO BE FOLLOWED BY SEPARATE COMMISSION CONSULTATIONS WITH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 15737 161740Z

INDIVIDUAL COMPANIES IN OCTOBER AND NOVEMBER IN ORDER TO OBTAIN BASIC INFORMATION FOR THE COMMISSION'S STUDY OF THE STATUS OF THE OIL REFINERY SECTOR AND OUTLOOK FOR 1979. (IT IS RECALLED THAT VIRTUALLY ALL COMPANIES OPERATING IN EUROPE, WITH THE EXCEPTION OF MOBIL AND POSSIBLY AMOCO AND CONOCO, HAVE AGREED TO PROVIDE SUCH INFORMATION.)

4. BRONDEL ADDED THAT THE COMMISSION IS ALSO CONTINUING ITS EFFORTS TO DETERMINE THE POSSIBLE ANTI-TRUST IMPLICATIONS OF THE "FORWARD PLANNING" PHASE TWO OF ITS PROPOSAL IN THE EVENT THE COMMISSION DECIDES TO PROCEED. THE BRUSSELS-BASED ATTORNEY OF A U.S. LEGAL FIRM (CLEARY, GOTTlieb, STEEN AND HAMILTON) HAS BEEN COMMISSIONED TO STUDY THE MATTER, TRY TO DETERMINE ANTI-TRUST IMPLICATIONS UNDER EC AND RELEVANT NATIONAL (INCLUDING US) LEGISLATION AND MAKE SUGGESTIONS AS TO HOW TO MINIMIZE ANTI-TRUST DIFFICULTIES. THE REFINERY PROPOSAL IS ALSO TO BE CONSIDERED, BRONDEL SAID, DURING INFORMAL CONSULTATIONS IN WASHINGTON BETWEEN THE U.S. DEPARTMENT OF JUSTICE AND THE DIRECTORATE GENERAL FOR COMPETITION (DG IV) NOW SCHEDULED FOR SEPTEMBER. IN ADDITION, THE COMMISSION HAS BRIEFED THE HEAD OF THE EC DELEGATION IN THE U.S. (SPAACK) ON THE

MATTER AND GIVEN HIM A COPY OF THE TERMS OF REFERENCE FOR
THE OUTSIDE LEGAL STUDY IN CASE THE COMMISSION PROPOSAL IS
RAISED WITH HIM BY U.S. OFFICIALS. HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, COMMISSIONS, REGIONAL ORGANIZATIONS, PETROLEUM REFINING, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE15737
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780335-1177
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780855/aaaabuan.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f8b6fc61-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 BRUSSELS 10698, 78 BRUSSELS 12709, 78 BRUSSELS 8
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1714517
Secure: OPEN
Status: NATIVE
Subject: EC COMMISSION'S PLANS REGARDING ALLEVIATION OF THE EC OIL REFINERY PROBLEMS
TAGS: ENRG, EEC
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f8b6fc61-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014